

Building Products Limited

Annual Report *1945*

For the year ending December 31.

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McGILL UNIVERSITY

BUILDING PRODUCTS LIMITED

TO THE SHAREHOLDERS:

Your Directors present their Twentieth Annual Report, with statement of the past year's operations, the Balance Sheet as at December 31, 1945, and the report of your Auditors.

Net earnings of \$335,242.20 were substantially the same as the previous year which were \$334,413.79, while the amount required for income and excess profits taxes reached the all time high of \$1,171,000.00 compared with \$1,000,000.00 in 1944. The cumulative total of the refundable portion of the excess profits tax, which appears on the Balance Sheet as a deferred surplus, is now \$556,268.55, an increase of \$189,353.51 for the year just closed.

The net increase in the property account for the year was \$591,271.31, while the reserve for depreciation account was increased by \$156,181.25 compared with \$121,783.77 in the previous year. While all properties have been maintained in good order as far as supplies have allowed, it is planned to restore all machinery and equipment to their prewar condition just as soon as both labor and repair parts are available.

Working capital was increased during the year by the sale of \$1,000,000.00, principal amount, of ten year Serial Debentures bearing an interest rate of $2\frac{3}{4}$ percent. These additional funds were required for capital additions, improvements, and replacement of properties.

Negotiations leading to a satisfactory settlement of the refund to

BUILDING PRODUCTS LIMITED

be required by the Department of Munitions and Supply in the pricing of war contracts, are sufficiently advanced so that it can be stated that the reserve which had already been provided to meet this possible contingency will undoubtedly be adequate. War contracts represented only approximately eight percent of the company's total volume of business during the four year period ending December 31, 1944.

The new paper mill at Montreal commenced operations last August, and this additional output is providing an important increase in the supply of this company's products which are so urgently needed, at the present time, for the construction of houses.

During the night of November 16, 1945, fire severely damaged one unit of the Montreal group of factory buildings. Service to customers had not been unduly disturbed, however, as the output at your Hamilton and Winnipeg roofing factories was immediately increased by doubling the operating hours at these places. While it is not yet the time for making a final settlement with the insurance companies, it is believed that all losses arising from this fire are adequately covered by insurance. Operations at the fire damaged Montreal works will get under way again about March 1st.

Sales again reached a new high in 1945, and from the rate at which new orders are currently being received it would appear that the products of your company will be in good demand for sometime to come.

BUILDING PRODUCTS LIMITED

Construction contracts awarded continue at a high level, and it is expected that the number of new houses to be built in 1946 will exceed the high 1945 level. It is for house construction that the products of this company find one of their best markets.

Shortages continue in the supply of certain raw materials, but in most cases satisfactory substitutes have been found. In some important cases suitable machinery and equipment have been installed in your plants to provide an additional source of supply.

Many of our Boys who served their Country during the war have now returned to the organization, and are already taking an important part in the company's postwar activities. A warm welcome awaits those who have not yet been discharged from their war duties.

To all employees of the company is extended our sincere appreciation for the good work done by them during the past year.

On behalf of the Board of Directors,

W. R. McNEIL,
President.

Montreal, February 11, 1946.

(INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK)

ASSETS

Inventories of Stocks on hand as certified by the
Management, valued at the lower of cost or market
price

Trade Accounts Receivable (less Bad Debt Reserve)	558,775.19
Other Accounts Receivable	140,058.68
Accounts Receivable Fire Damage Claim, estimated....	251,274.21
Dominion Government Bonds at cost	1,425,000.00
(Market Value December 31, 1945—	

Cash in Bank, on Call Loan and on Hand	522,515.62
Insurance Unexpired and Taxes Prepaid, etc.....	68,041.83

Refundable Portion of Excess Profits Tax

Land, Buildings and Equipment, purchase price at date of acquisition in 1926, plus subsequent additions (net) at cost

Less: Reserve for Depreciation	1,638,696.97
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1,480,851.01

\$ 5,861,771.43

(Signed) W. R. McNeil, Director.

“ Winthrop Brainerd, Director.

[illegible]

Montreal, February 11, 1946.

DUCTS LIMITED

OF THE DOMINION OF CANADA)

DECEMBER 31, 1945

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities	\$ 590,026.93	
Provision for expenditure re Fire damage	98,948.76	
Reserve for Dominion Income and Excess Profits and Other Taxes after pre-payment of \$555,000.00 to the Dominion Government	623,870.30	\$ 1,312,845.99
2¾% Serial Debentures, maturing \$125,000.00 annually June 1, 1948 to June 1, 1955		1,000,000.00
RESERVE FOR CONTINGENCIES		401,574.80

CAPITAL AND SURPLUS:

Represented by 483,384 shares without nominal or par
value, being all of the authorized issue 1,483,110.00

NOTE: Of the above mentioned shares, 1,068 are
held by Montreal Trust Company for ex-
change of 267 old Class A shares.

DEFERRED SURPLUS:

Refundable Portion of Excess Profits Tax 556,268.55

EARNED SURPLUS:

Balance as per statement attached 1,107,972.09
3,147,350.64

\$ 5,861,771.43

THE SHAREHOLDERS

for the year ending December 31, 1945, and have obtained all the information and
Balance Sheet at December 31, 1945, when read in conjunction with the remarks
drawn up so as to exhibit a true and correct view of the state of the Company's
shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

BUILDING PRODUCTS LIMITED

STATEMENT OF PROFIT & LOSS AND EARNED SURPLUS

FOR THE YEAR ENDING DECEMBER 31, 1945

Net Profit from Operations for the year ending December 31, 1945, before taking into account the items shown below		\$ 1,742,198.93
ADD: Interest on Investments	\$ 22,928.14	
Profit arising from sales of Investments, Plant, etc.	2,971.04	25,899.18
		<u>\$ 1,768,098.11</u>
DEDUCT: Provision for Depreciation	160,675.44	
Directors' Fees	3,400.00	
Legal Fees	2,139.48	
Remuneration to Executive Officers	82,462.33	
Debenture Interest	13,178.66	
Provision for Dominion Income and Excess Profits Taxes	1,171,000.00	1,432,855.91
		<u>335,242.20</u>
Net Profit for the year after providing for Income Taxes thereon		1,100,597.27
Earned Surplus, Balance December 31, 1944		<u>1,435,839.47</u>
DEDUCT: Dividends declared and paid	314,199.60	
Discount and Expenses on Debenture issue	13,667.78	327,867.38
		<u>Earned Surplus, Balance December 31, 1945</u>
		<u><u>\$ 1,107,972.09</u></u>

Building Products Limited

HEAD OFFICE — MONTREAL

BOARD OF DIRECTORS

PHILIP R. ALLEN	DANIEL P. HATCH
WINTHROP BRAINERD	GEORGE H. MONTGOMERY, K.C.
CLARENCE P. COWAN	GEORGE M. MCKEE
ROY C. CROOKER	WILLIAM R. MCNEIL
HILTON R. TUDHOPE	

OFFICERS

<i>Chairman of the Board</i>	PHILIP R. ALLEN
<i>President</i>	WILLIAM R. MCNEIL
<i>Vice-President and General Manager</i>	CLARENCE P. COWAN
<i>Vice-President</i>	DANIEL P. HATCH
<i>Secretary-Treasurer</i>	ROY C. CROOKER
<i>Assistant Treasurer</i>	WILLIAM G. MARKS

<i>Transfer Agent</i>	MONTREAL TRUST CO., Toronto, Ont. — Montreal, Que.
<i>Registrar</i>	NATIONAL TRUST CO. LIMITED, Toronto, Ont. — Montreal, Que.

BUILDING PRODUCTS LIMITED



Manufacturers of . . .

ASPHALT SHINGLES

ASPHALT ROLL ROOFINGS

ASPHALT AND COAL TAR BUILT-UP ROOFS

INSULATED SIDINGS

DRY AND SATURATED BUILDING PAPERS AND FELTS

FIBRE INSULATING BOARD

ASPHALT FLOOR TILE

ASPHALT PAINTS AND CEMENTS

SALES OFFICES—Montreal, Toronto, Hamilton and Winnipeg.

PAPER MILLS—Montreal, Pont Rouge, Que. and Winnipeg.

ROOFING FACTORIES—Montreal, Hamilton and Winnipeg.

QUARRIES—Madoc, Ont. — GRANULE WORKS—Havelock, Ont.

